



Caregiver Management Systems, Inc. Expands Consulting Practice into California and Indiana

Proprietary Management Model Improves Nursing Home Profits and Patient Outcomes, and Reduces Medicaid Billings

April 4, 2006, Schaumburg, IL -- Caregiver Management Systems (CMS), a Schaumburg, Illinois based management consulting firm specializing in long-term care, announced contracts with Winchester Convalescent Hospital in San Jose, California, and Lakeview Manor in Indianapolis, Indiana.

Using the CMS systems, it is anticipated that the California and Indiana facilities will realize an additional \$800,000 in revenues, while reducing Medicaid billings by more than \$500,000 per year. The new contracts increase the number of facilities using the CMS model to 54 homes. CMS currently has contracts with facilities located in Illinois, South Carolina, Arkansas, Missouri, Ohio, Iowa and New York.

The CMS proprietary model brings a paradigm shift in the management structure of nursing homes, using state of the art technologies and advanced management information technology, Six Sigma management tools, and application of ISO 9000 standards. Over the last 15 years, CMS has returned facilities to profitability, reduced Medicaid billings by an average of \$250,000 per year, and increased the number of patients returned to health and sent to their own home or an assisted living center per year by over 40%.

"I am very pleased with the expansion of the consulting portion of our business model," stated Jerry L. Rhoads, CEO and president of Caregiver Management Systems, Inc. "The practices followed in nursing homes over the past 50 years no longer apply in today's modern era. It is imperative that nursing home facilities adopt new systems that help return our senior citizens to productive lives.

Reduced federal funding to Medicare and Medicaid and the aging of America further escalate the need for facilities to adopt and use the new technologies available, and change the operational structure of nursing home and assisted living facilities," added Mr. Rhoads.

The CMS model focuses on providing deductive-restorative services and customized patient treatment programs, while restructuring the management from a departmental system to a team approach. Further, CMS has developed a proprietary, state of the art software program that proactively manages treatment programs and governmental billing. This frees the

professional staff to focus on their primary mission of restoring patients' health and returning them to a normal life. Turnover rates of professional and non professional staff have declined from an average of over 200% to as low as 20%, resulting in an annual cost savings of \$233,617. Absenteeism was reduced with an annual cost savings of \$43,642.

Mr. Rhoads concluded, " We will continue to expand our consulting practice into more long term care facilities around the country. It is also our goal to acquire nursing home facilities for our All American Care division. Currently, we are negotiating with investment bankers and governmental agencies for the capital to acquire over 100 nursing home facilities. We have begun discussions with 16 Chicago area chains and with two of our clients in Arkansas and Missouri. It is our mission to further demonstrate the CMS model, with the hope that our model will be adopted nationally."

CMS has the only existing business solution coupled with a technology solution that can be fully reimbursed by the Federal Government's Medicare Program. CMS provides the nursing home industry with consulting services and products that result in improved benefits for the patient, better outcomes for the family, and more stability for the nursing home staff, while satisfying the biggest purchaser of medical outcomes – the Government.

Caregiver Management Systems, Inc. is acknowledged as the only Prospective Payment System (PPS) Resource Utilization Expert in the country. Caregiver's copyrighted Care Plan Library has over 3,000 *Blueprints of Care* for PPS Reimbursement. The Caregiver business solution provides an accurate and cost effective way to insure *proper documentation* and *staff accountability*, leading to efficient patient centric care.

Caregiver Management Systems, Inc. is a management consulting firm specializing in long-term care. The CMS paradigm shift in facility management increases profitability, improves patient outcomes and decreases Medicaid billings. CMS has been entirely self-funded out of profits since 1984. Caregiver Management Systems has implemented the Caregiver model in 117 nursing homes since 1991, and increased their Medicare resources by \$110 million, of which \$40 million went to the bottom line. The system is currently operating in over 50 nursing facilities in nine states. Jerry Rhoads, CPA, FACHCA, has over 40 years experience in hospital, nursing home, home health and physician reimbursement. The company has formed All-American Care Centers for the purpose of acquiring facilities in Illinois, Arkansas and Missouri.

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